

Corporate Presentation

3 months ended
31 March 2017



This presentation has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this presentation.

This presentation has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this presentation, including the accuracy, completeness and correctness of any of the information, statements or opinions made or reports contained in this presentation.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



Business Overview

Industry Overview

Business Strategy and Expansion Plans

Corporate Developments and Use of Proceeds

3 months ended 31 March 2017 Financial Highlights

Business Overview



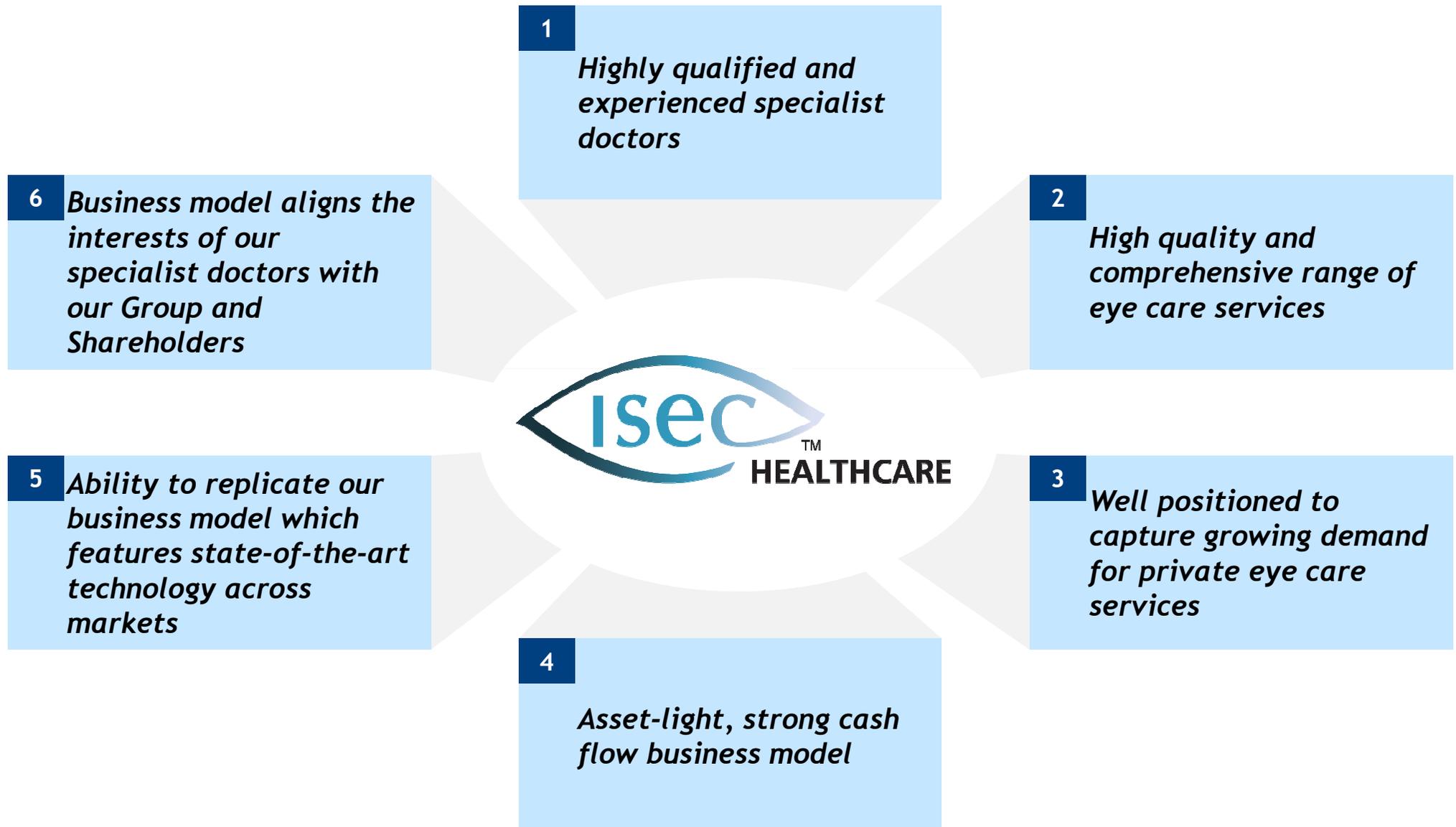
- Specialised Health Services – Medical eye care service provider
 - ISEC is a comprehensive medical eye care service provider, with ambulatory surgical centres in Malaysia (Kuala Lumpur, Penang, Malacca & Sibul) and provides specialist medical ophthalmology services to Lee Hung Ming Eye Centre in Gleneagles Hospital (Singapore)
 - We specialise in the fields of cataract and refractive surgery (including LASIK), vitreoretinal diseases, corneal and external eye diseases, glaucoma, uveitis, oculoplastics, facial cosmetics and aesthetics surgery, adult strabismus and paediatric ophthalmology
 - Our vision is to provide high quality, compassionate, world-class eye care at affordable level
- General Health Services – General family medicine and aesthetics services
 - Our clinics (Temasek Medical Centre) are located at Bukit Batok, Sembawang, Woodlands and Choa Chu Kang (Singapore)
- We have a strong team of 21 specialist doctors and 4 general practitioners and most are also shareholders of the Company
- Listed on Catalist SGX-ST on 28 October 2014



ISEC stands for “International Specialist Eye Centre”

Business Overview

Competitive Strengths of the Group



Industry Overview



Industry Overview

Key Drivers for Private Ophthalmology



AGEING POPULATION with large elderly patient group suffering from cataract, glaucoma, AMD, dry eyes or vitreoretinal diseases as these eye disorders are age-related

- 25.9% of population in Malaysia above 40 years old in 2013, expected to grow at CAGR of 1.7% from 2013 to 2018
- 48.0% of population in Singapore above 40 years old in 2013, expected to grow at CAGR of 4.6% from 2013 to 2018

INCREASING AWARENESS with information technology penetration will increase patients' propensity to seek timely and private medical treatment

- Internet penetration in Malaysia increase from 55.8 per 100 people in 2008 to 67.0 per 100 people in 2013, allowed patients to seek information about eye treatments online
- Number of internet users in Singapore increased from 69.0 per 100 people in 2008 to 73.0 per 100 people in 2013 allowing them to gain awareness over eye diseases from the internet

RISING INCOME LEVEL increases patients' affordability to engage private ophthalmology services

- Malaysian household monthly income rose from SGD 1,532 in 2009 to SGD 1,903 in 2012
- In Singapore, the median monthly household income from work increased from SGD 7,570 in 2012 to SGD 7,870 in 2013

INCREASE IN PRIVATE INSURANCE COVERAGE encourages more people to seek private medical services, including ophthalmology-related medical procedures that are subsidized by insurance

- Medical and personal accident insurance market in Malaysia increase at a CAGR of 13.6% from 2013 to 2018
- The annual premium growth in Singapore between 2013 to 2020 is expected to be 11.8%

Industry Overview

Key Drivers for Private Ophthalmology (cont'd)



GOVERNMENT SUPPORT IN PROMOTING MEDICAL TOURISM leading to generation of additional demand for medical services including ophthalmology services

- Medical tourism based healthcare expenditure forecast to grow at 26.7% CAGR from 2009 to 2018 in Malaysia
- Medical tourism based healthcare expenditure forecast to grow at 13.6% CAGR from 2009 to 2018 in Singapore. Ophthalmology is the second most popular medical procedures amongst medical tourist coming to Singapore

RISING INCIDENCE OF DIABETES can in turn increase one's chances of getting an eye disorder such as diabetic retinopathy, cataract and glaucoma

- 12% of Malaysian are suffering from diabetes, and this would subsequently contribute to the growth of more eye patients who suffer from diseases such as diabetic retinopathy, cataract and glaucoma

The ophthalmology industry is underserved by qualified ophthalmologist:

Malaysia	<i>0.01 ophthalmologist per 1,000 population</i>
Singapore	<i>0.04 ophthalmologist per 1,000 population</i>
World average	<i>0.036 per 1,000 population</i>
Other modernized nations	<i>0.05-0.11 per 1,000 population</i>

Business Strategy And Expansion Plans





Growing the ISEC Brand and Expanding into the Asia Pacific Region

- To reach more patients in locations where we currently operate, as well as new locations such as major cities or locations in Peninsular Malaysia, East Malaysia and Singapore
- To expand via setting up of subsidiaries, JV, expand existing centres, acquire assets, businesses and companies
- Identified China, Indonesia, Myanmar and Vietnam as markets with growth potential

Expanding Talent Pool of Specialist Doctors and Management Staff

- To recruit and retain highly qualified and talented management and healthcare professionals
- To provide them with opportunity and time to further their professional development and expertise in their subspecialty areas

Building Regional Network with Referral Centres

- To build relationships with referral centres which will refer patients requiring more complicated surgical procedures or medical consultation
- To offer patients options in country of treatment, added comfort and convenience of receiving follow-up treatment in home country

Investing in the Latest Technology

- To constantly upgrade and improve our medical equipment and keeping abreast of the latest technology to ensure that we are at the forefront of our industry

Expansion Plans



**Business expansion
in the Asia Pacific
region
(including Malaysia
and Singapore)**

★ Target Countries

Corporate Developments and Use of Proceeds



On 15 March 2017, the Company had announced the commencement of operations by ISEC (Sibu) Sdn. Bhd., an indirect 55% owned subsidiary of the Company, following the attainment of all requisite approvals, licenses and permits under the Malaysia's Private Healthcare and Facilities Act 1998, including for the establishment, maintenance and operation of the ophthalmology centre.

Use of Proceeds

As at 8 May 2017



Use of proceeds	Amount allocated S\$'000	Amount allocated pursuant to reallocation of unutilised listing expenses S\$'000	Amount utilised S\$'000	Balance S\$'000
Business expansion in Asia Pacific region (including Malaysia and Singapore)	13,800	300	(12,565) (N1)	1,535
General working capital	2,500	-	(2,500) (N2)	-
Total	16,300	300	(15,065)	1,535

(N1) Amount utilised for:	Acquisition of SSEC ⁽¹⁾ S\$'000	Acquisition of JLM Companies ⁽²⁾ S\$'000	Total S\$'000
Cash consideration	5,204	6,971	12,175
Administrative expenses	122	268	390
Total	5,326	7,239	12,565

(N2) Amount utilised for:	S\$'000
Cost of sales	1,028
Administrative expenses	1,378
Selling and distribution expenses	94
Total	2,500

Notes:

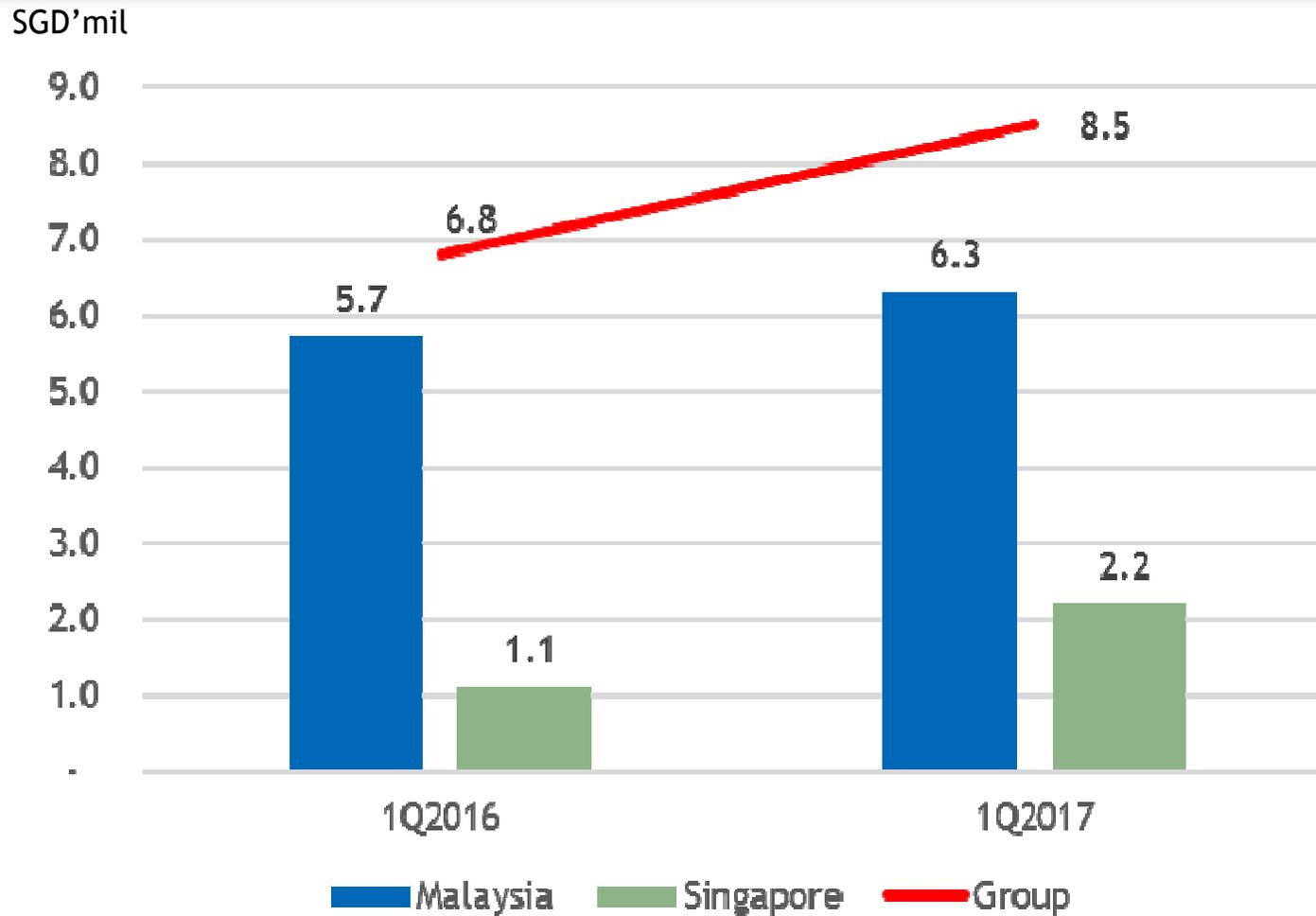
(1) SSEC refers to Southern Specialist Eye Centre Sdn. Bhd.

(2) JLM Companies refer to JL Medical (Bukit Batok) Pte. Ltd., JL Medical (Sembawang) Pte. Ltd., JL Medical (Woodlands) Pte. Ltd. and JL Medical (Yew Tee) Pte. Ltd.

3 Months Financial Highlights

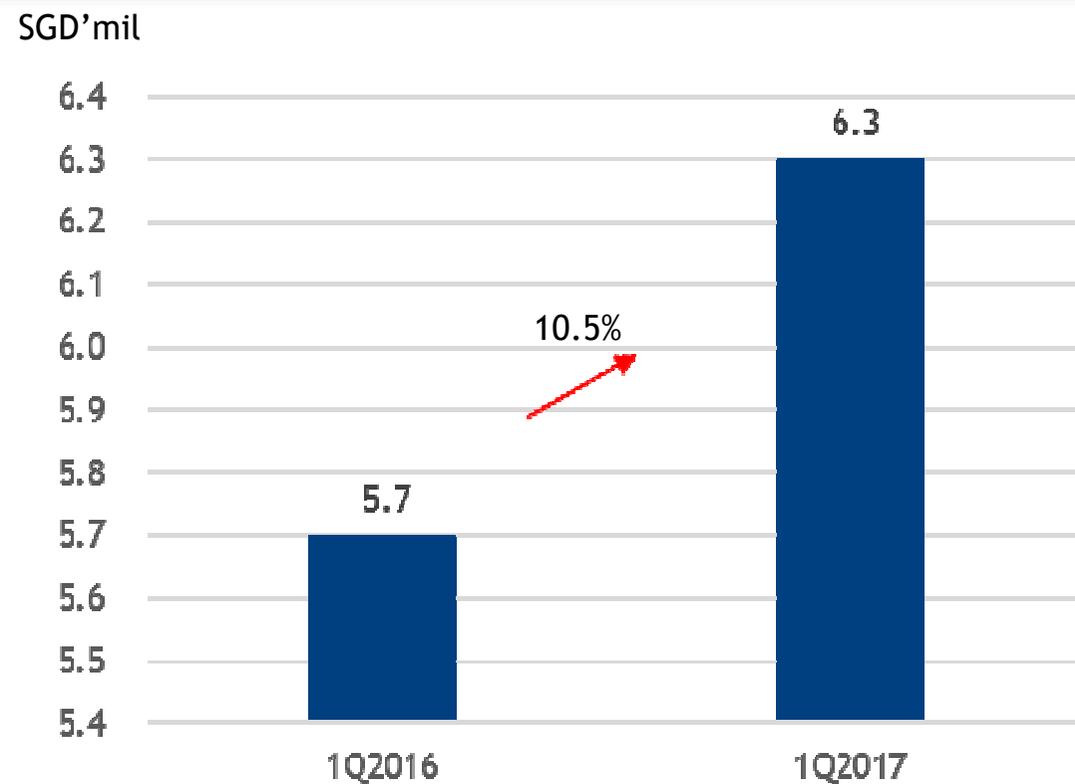
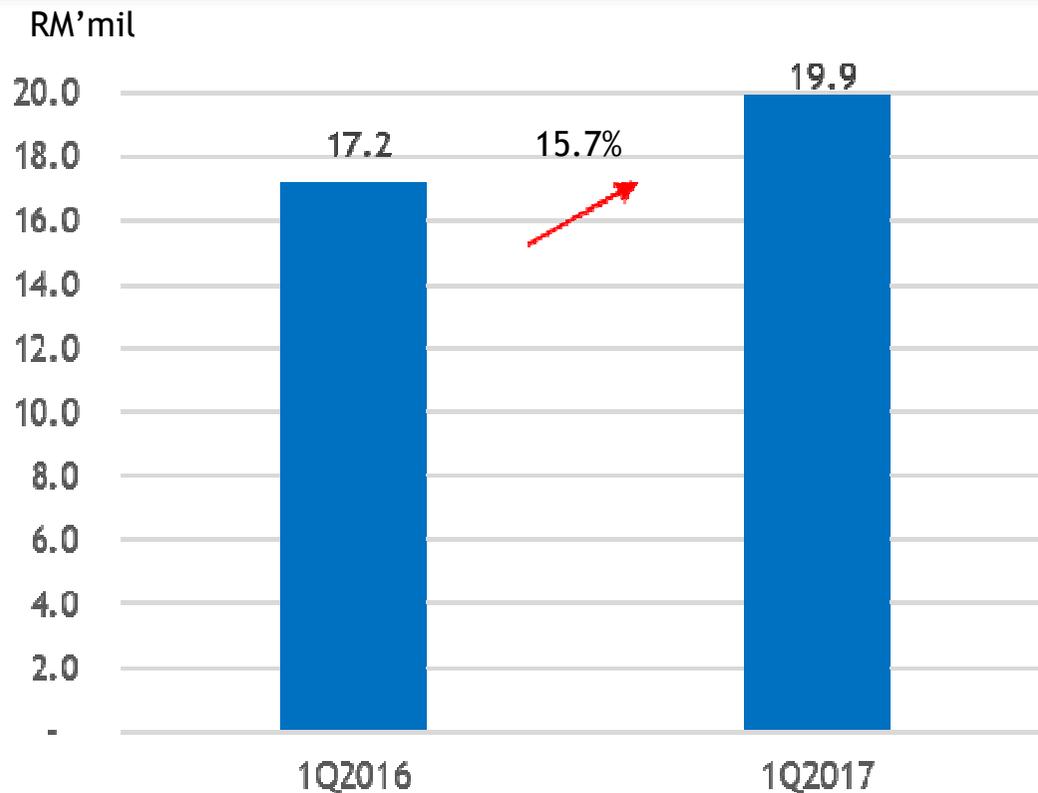
for the period ended 31 March 2017





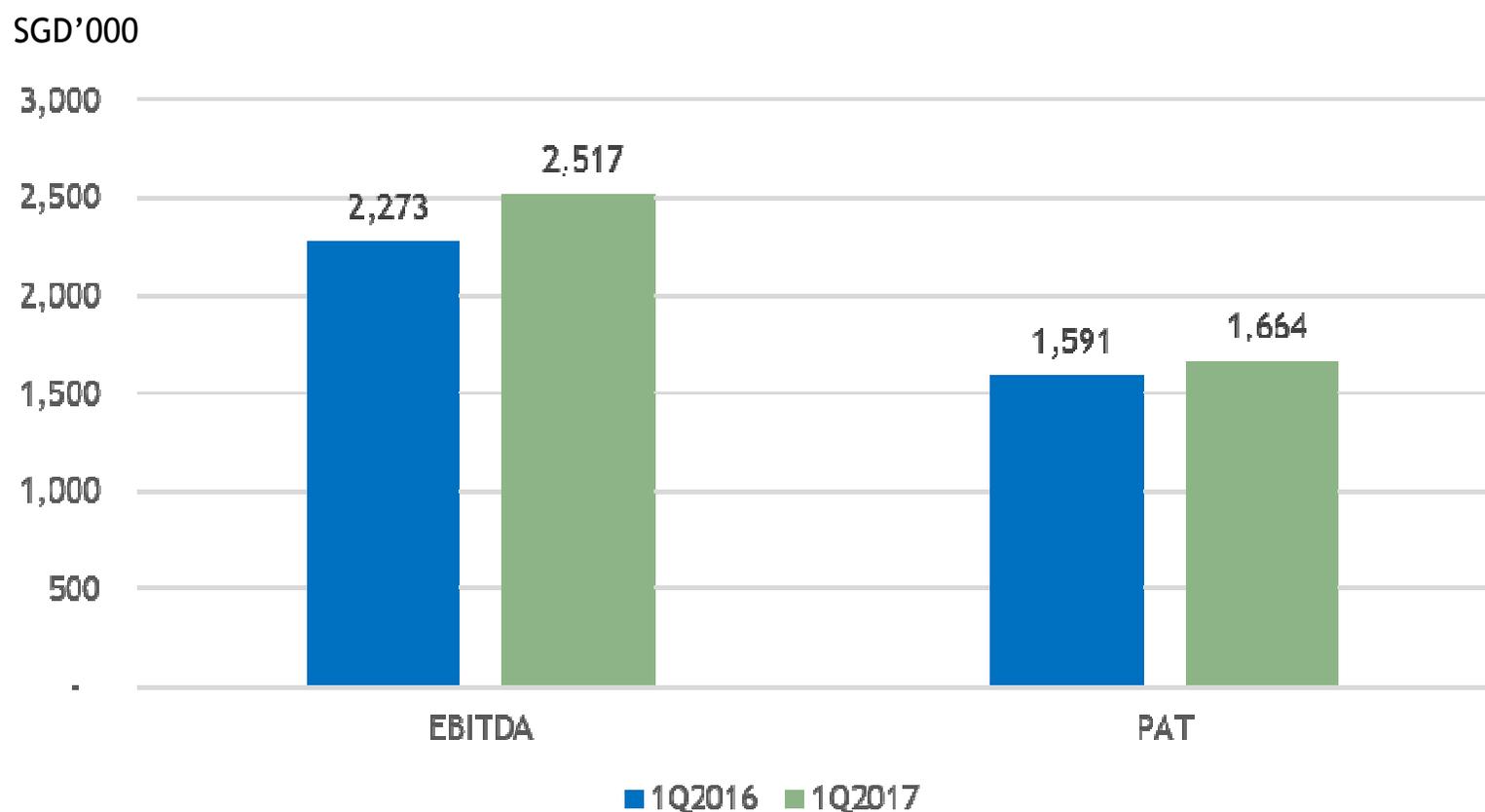
- **1Q2017 vs 1Q2016** Group revenue was higher. The increase was attributable to higher revenue contribution from Singapore operations. The JLM Companies which were acquired on 1 December 2016 contributed S\$1.0 million to the Group's revenue in 1Q2017. Revenue from Malaysia operations had also increased by S\$0.6 million with increased patient visits.

Revenue - Malaysia



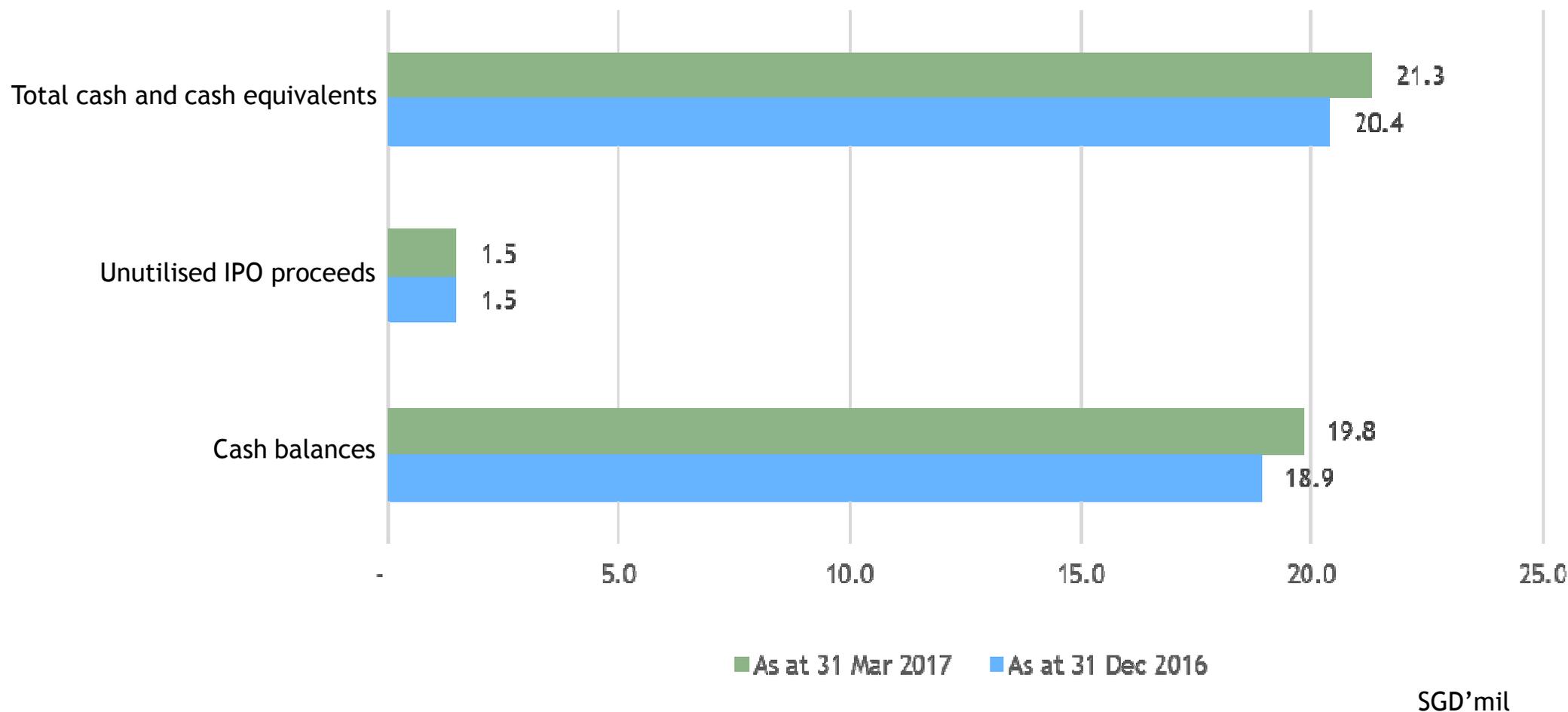
- Revenue from Malaysia operations in Ringgit Malaysia (“RM”) increased from RM17.2 million in 1Q2016 to RM19.9 million in 1Q2017, up 15.7% mainly due to increased number of patients visits. Singapore Dollar translated revenue from Malaysia operations in 1Q2017 was only 10.5% higher compared to 1Q2016, from S\$5.7 million in 1Q2016 to S\$6.3 million in 1Q2017, due to weaker RM.

Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) and Profit After Tax (PAT)



- EBITDA was S\$2.5 million in 1Q2017 as compared to S\$2.3 million in 1Q2016 mainly due to contribution from the JLM Companies in 1Q2017 and increased patient visits from the Malaysia operations.
- PAT was S\$1.7 million in 1Q2017 as compared to S\$1.6 million in 1Q2016 mainly due to the above reasons. Lower provision of income tax was made for Singapore operations in 1Q2016 as the Group had utilised tax credit for the losses incurred by International Specialist Eye Centre Pte. Ltd. (“ISEC Singapore”) in FY2015, as well as the unutilised capital allowances from ISEC Singapore. Such tax credit was not recognised in 1Q2017.

Cash Position



- Total cash and cash equivalents as at 31 March 2017 was S\$21.3 million. No debts.
- Cash balances (exclude unutilised IPO proceeds) increased from S\$18.9 million as at 31 December 2016 to S\$19.8 million as at 31 March 2017.

Statement of Financial Position



S\$'000	31 March 2017	31 December 2016
Key Assets		
Plant and equipment	3,840	3,967
Intangible assets	38,709 [^]	39,111 [^]
Trade and other receivables	2,160	2,171
Cash and cash equivalents	21,281	20,376
Key Liabilities		
Trade and other payables	3,682	4,919
Equity		
Total equity	62,276	60,759

[^] - Arose mainly from the acquisition of:

(i) ISEC Eye Pte. Ltd. - Intangible assets related to contractual relationship of S\$4.0 million (FY2016: S\$4.1 million) and goodwill of S\$8.0 million; and

(ii) SSEC - goodwill of S\$11.9 million (FY2016: S\$12.1 million)

(iii) JLM Companies - Intangible assets related to customer relationship of S\$0.15 million (FY2016: S\$0.2 million) and goodwill of S\$14.6 million



Thank You